

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS & PRIORITY MAIL CONTRACT 45
(MC2017-113)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-161

**USPS NOTICE OF AMENDMENT TO
PRIORITY MAIL EXPRESS & PRIORITY MAIL CONTRACT 45,
FILED UNDER SEAL
(June 29, 2018)**

The Postal Service hereby provides notice that the terms of Priority Mail Express & Priority Mail Contract 45, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Express & Priority Mail Contract 45 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Priority Mail Express & Priority Mail Contract 45. Therefore, the supporting financial documentation and financial certification initially provided in this docket remain applicable. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the customer-identifying information that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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June 29, 2018

ATTACHMENT A

**REDACTED AMENDMENT TO
PRIORITY MAIL EXPRESS & PRIORITY MAIL CONTRACT 45**

AMENDMENT #1
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PRIORITY MAIL EXPRESS
AND
PRIORITY MAIL

WHEREAS, the United States Postal Service (“the Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract regarding Priority Mail Express and Priority Mail, Contract 45/Docket No. CP2017-161, on April 3, 2017.

WHEREAS, the Parties desire to amend the terms in Sections I.E., I.G including Tables B and C, and F, and adding I.J. of the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.E in its entirety, replace Section I.G. 1, 2 &3, including a replacement Table B and new Table B2, delete Section I.G.4, and add new Section I.J., as follows.]

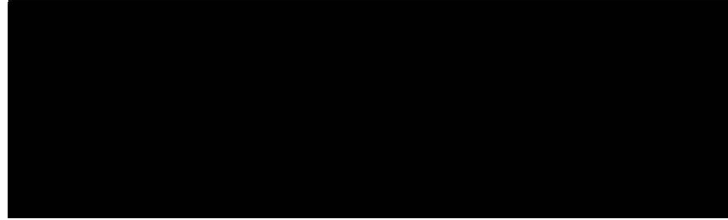
I. Terms

E. Volume Commitment. Customer should ship an average of [REDACTED] Contract Packages per Contract Quarter.

G.

1. Implementation Period. From the effective date of the contract until the end of the second full Contract Quarter (“Implementation Period”), and for the first full Contract Quarter following the Implementation Period, Customer shall receive Tier 1 prices pursuant to Tables C and D below.
2. Following the Implementation Period, subsequent tier pricing will be determined by the minimum quarterly average of Contract Packages shipped during the term of this Contract, not to include the Implementation Period, pursuant to Table B below. If the quarterly average of Contract Packages

shipped falls below the minimum volume set for Tier 1 pricing, the Postal Service at its sole discretion has the right to revert Customer to the most current Priority Mail Express Commercial Plus and Priority Mail Commercial Plus prices for the subsequent Contract Quarter.



3. Customized prices for this Contract will be based on a rolling four (4) quarter average. Following the Implementation Period, the average will be based on the number of Contract Packages shipped divided by the number of full quarters achieved not to include the Implementation Period. At the conclusion of the first four (4) full quarters, following the Implementation Period, pricing for subsequent quarters will be calculated by the number of Contract Packages shipped in the previous four (4) quarters divided by four (4). At the conclusion of each quarter, the Postal Service will calculate the total number of Contract Packages and the number of applicable quarters to calculate and apply the appropriate rate table within fifteen (15) calendar days of the conclusion of that quarter. Table B2 below illustrates the method in determining tier level and corresponding prices.

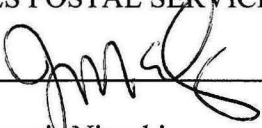
Table B2

Contract Year (CY) 1	Tier Determination
Quarter 1	Tier 1 Pricing
Quarter 2	Tier 1 Pricing
Quarter 3	Tier 1 Pricing
Quarter 4	Tier 1 Pricing
Contract Year (CY) 2	Tier Determination
Quarter 1	Contract Packages Shipped (CY1 Q4) ÷ 1
Quarter 2	Contract Packages Shipped (CY1 Q4 + CY2 Q1) ÷ 2
Quarter 3	Contract Packages Shipped (CY1 Q4 + CY2 Q's 1&2) ÷ 3
Quarter 4	Contract Packages Shipped (CY1 Q4 + CY2 Q's 1,2&3) ÷ 4
Contract Year (CY) 3	Tier Determination
Quarter 1	Contract Packages Shipped (CY2 Q's 1,2,3&4) ÷ 4
Quarter 2	Contract Packages Shipped (CY2 Q's 2,3&4 + CY3 Q1) ÷ 4
Quarter 3	Contract Packages Shipped (CY2 Q's 3&4 + CY3 Q's 1&2) ÷ 4
Quarter 4	Contract Packages Shipped (CY2 Q4 + CY3 Q's 1,2&3) ÷ 4

- J. Record Keeping and Audit. Customer shall respond to the Postal Service's or its designated auditor's quarterly and/or yearly transaction confirmations related to Postal Service transactions; and such other assistance as required by the Postal Service or its designated auditors in connection with Customer's performance under this Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: 

Printed Name: ^{for} Dennis Nicoski

Title: Senior Vice President, Sales and Customer Relations

Date: 06/20/18

